

# MONTANA

*Department of Commerce*

## HOUSING RESOURCE DIRECTORY



**Information in Support of the Montana Consolidated Plan  
For the Plan Year Beginning April 1, 2005**

**APRIL 2005**





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# HOUSING RESOURCE DIRECTORY

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# HOUSING RESOURCE DIRECTORY

## FEDERAL PROGRAMS

### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FUNDED PROGRAMS

#### Home Investment Partnerships (HOME) Program

The HOME program expands the supply of decent, affordable housing for low- and very low-income families; builds state and local capacity to design and carry out affordable housing programs; provides financial and technical assistance to participating jurisdictions, and strengthens partnerships among all levels of government and the private sector in the development of affordable housing in Montana.

#### Statewide HOME Program

The Montana Department of Commerce (MDOC) Housing Division administers the statewide HOME program. This program allows tenant-based rental assistance; assistance to first time home buyers; property acquisition; new construction; rehabilitation; relocation; building rehabilitation; site improvements; and other activities for developing non-luxury housing.

All HOME funds assist families with incomes below 80 percent of the area median income. HOME funds are distributed on an annual competitive basis. All cities except Billings, Great Falls, and Missoula (see below), counties, contiguous units of local government, public housing authorities (PHAs), and MDOC-certified Community Housing Development Organizations (CHDOs) are eligible to apply for HOME funds. A minimum of 15 percent of HOME funds is set-aside for CHDOs. An individual may not apply directly to the HOME program; however, individual households are the ultimate recipients of all HOME grant funds through the eligible applicants. See information on page 32 for information on local HOME-funded homebuyer assistance and homeowner rehabilitation programs.

Contact person: Julie Flynn, HOME Program Manager, Housing Division, Montana Dept. of Commerce, (406) 841-2820.

### City of Great Falls HOME Program

The HOME Program of Great Falls is dedicated to funding projects that expand the supply of decent, safe, sanitary, and affordable housing for very low-income citizens of Great Falls. Eligible activities administered by local for-profit or nonprofit organizations or Neighborhood Housing, Inc. (a local CHDO) include housing assistance to very low- and low-income renters, housing assistance to very low- and low-income homebuyers, and housing assistance to homeless persons and households. Examples of eligible projects include new construction of affordable housing, housing rehabilitation, down payment, and closing cost assistance to low-income homebuyers, and transitional housing programs for homeless persons and households. Only projects located within the city limits are eligible for funding. Project proposals are accepted on an annual basis. Technical assistance for project development is available.

*Contact person: Katrina Stark, Grant Administrator, Community Development Department, City of Great Falls; (406) 455-8407, (406) 454-0495 for the hearing impaired.*

### City of Missoula HOME Program

The City of Missoula administers a HUD-funded HOME Program designed to expand the supply of affordable housing opportunities for low- and moderate-income residents. Missoula began managing its HOME program in 2003. Activities eligible for HOME funding include new construction, property acquisition, residential rehabilitation, homebuyer assistance, and rental subsidy. The city solicits requests for funds on an annual basis. Currently, Missoula accepts requests from certified CHDOs only. Technical assistance is available to applicants and to agencies interested in qualifying as CHDOs.

*Contact person: Mike Barton, Grants Administrator, (406) 258-3874; – or – Cindy Wulfekuhle, Principal Grants Administrator, (406) 258-4657; Missoula Office of Planning and Grants.*

## **Community Development Block Grant (CDBG) Program**

### Statewide CDBG Program

The primary objective of the state CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities for low- and moderate-income persons in Montana. Each activity funded must

benefit at least 51 percent low- and moderate-income persons; and the overall low- and moderate-income benefit must be at least 70 percent.

Montana administers two components of the state CDBG program through the Community Development and Business Resources Divisions of the MDOC. Two-thirds of the program funding is for public facility and housing projects, administered by the Community Development Division. One-third of the funding is for economic development projects, administered by the Business Resources Division. The state makes grants for community development activities to units of general-purpose local government (counties and municipalities, except Billings, Great Falls, and Missoula). Montana's statewide CDBG program is a competitive grant program designed to help communities of less than 50,000 in population with their greatest community development needs.

Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer or solid waste facilities, or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs for low- and moderate-income persons.

Under the housing category, CDBG funds can be used to provide homebuyer assistance, including the subsidy of interest rates and mortgage amounts for low- and moderate-income homebuyers. CDBG funds may also be used to make low interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. CDBG funds can be used to finance or subsidize the construction of new, permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly owned land or land owned by a nonprofit organization to be used for new housing. Community revitalization activities, such as neighborhood clean-up and fix-up projects, as well as the demolition of vacant, seriously dilapidated structures are also eligible housing activities.

Transitional (temporary) housing is eligible under the housing category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.

Contact person: Gus Byrom, CDBG Program Manager, Community Development Division, Montana Dept. of Commerce, (406) 841-2777.

#### City of Billings HOME and CDBG Programs

The City of Billings HOME and CDBG program funds are used to achieve the common goals and objectives of the city's Consolidated Plan. The Billings CDBG and HOME program funds are used to assist Billings to promote fair housing and affordable housing citywide; to preserve and revitalize the city's existing affordable housing stock; and to improve and revitalize the neighborhoods where existing affordable housing stock is located. HOME program funds are specifically used for first-time homebuyer activities and to help finance new affordable housing projects. CDBG program funds are also used to support new housing activities but primarily are used for activities that update and improve the community's existing affordable housing stock.

Contact person: John Walsh, Community Development Manager, City of Billings, (406) 657-3045, Fax (406) 657-8252.

#### City of Great Falls CDBG Program

The primary objective of the City of Great Falls CDBG program is to use grant funds to benefit low- and moderate-income people or to eliminate slums and blight. The community is enhanced by providing decent housing, a suitable living environment, and expanding economic opportunities for low and moderate income people.

The City of Great Falls offers two CDBG-funded programs to individuals within the city limits to promote affordable housing: the deferred payment loan program provides no-interest loans to low-income homeowners for code-related repairs; and the rental improvement fund program provides no-interest loans to landlords to rehabilitate sub-standard rental units that will be made affordable to low-income tenants.

The city also allocates CDBG housing funds to both for-profit and nonprofit organizations that develop accessible, affordable rental housing and to Neighborhood Housing Services, Inc., (the local CHDO) for programs that address the purchase, rehabilitation, and new construction of affordable housing.

The city uses CDBG funds to improve public facilities that are primarily used by low-income people, to make infrastructure improvements in low-income neighborhoods, to promote

handicap accessibility, and to provide support to public services agencies whose programs benefit very low- to moderate-income people. The city encourages the use of CDBG funds in economic development activities that will increase job opportunities for low-income people.

Only projects located within the city limits are eligible for funding. Applications for city-administered housing programs are available on an ongoing basis; proposals for other projects are accepted on an annual basis.

Contact person: *Katrina Stark, Grant Administrator, (406) 455-8407; or Bruce Haman, (406) 455-8404, Community Development Department, City of Great Falls; (406) 454-0495 for the hearing impaired.*

#### City of Missoula CDBG Program

The City of Missoula is an entitlement city in the HUD-funded CDBG program. The city receives an annual allocation of approximately \$750,000, which is available to support activities that benefit low- and moderate-income households in the areas of housing, public facilities, economic development and public services. The city conducts a competitive funding process for projects each year between September and November. Technical assistance is available to agencies and individuals interested in participating in the program.

Contact person: *Mike Barton, Grants Administrator, (406) 258-3874; – or – Cindy Wulfekuhle, Principal Grants Administrator, (406) 258-4657; Missoula Office of Planning and Grants.*

#### **Tenant Based Section 8 Program – Certificates, Rental Vouchers, and Moderate Rehabilitation**

Financed by HUD and administered by the MDOC Housing Division, Tenant Based Section 8 (TBS8) Housing Assistance Programs allow very low-income families to pay a set amount towards rent and utilities, based on their gross adjusted income (currently 30 percent). Very low-income families have incomes of 50 percent or less of the HUD median family income for the county in which the family resides. HUD establishes income limits annually. The programs provide subsidy payments to property owners on behalf of program participants.

The TBS8 program, using 35 local field agents in eleven locations throughout the state, provides field services: issuing assistance documents, performing inspections, and examining annual income. The Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,596 units, and an annual budget of \$14 million.

The Moderate Rehabilitation (Mod Rehab) program has a budget of approximately \$3 million annually. In essence a project-based program, owners of substandard property in Montana rehabilitate the property to meet HUD housing quality standards (HQS) and receive subsidized rent for 15 years at a rate high enough to cover the debt service on rehabilitation loans. TBS8 provides a list of prospective tenants and inspects the rental units annually to insure continued compliance with HQS.

Contact person: *Maureen Martin, Housing Assistance Bureau Chief, Montana Dept. of Commerce, (406) 841-2830.*

### **Project Based Section 8 Program**

The Montana Project Based Section 8 (PBS8) program is a relatively new program administered by the MDOC Housing Assistance Bureau. Active since November 2000, PBS8 performs as a HUD contractor for management and oversight activities for 91 contracts involving over 3,600 affordable rental units. PBS8 conducts on-site management reviews annually for the entire contract portfolio. In addition, PBS8 approves and processes payment vouchers to property owners and agents.

Contact person: *Dave Parker, Project Based Section 8 Program Manager, Housing Division, Montana Dept. of Commerce, (406) 841-2801.*

### **Emergency Shelter Grants (ESG) Program**

The Montana Department of Public Health and Human Services (MDPHHS) Human and Community Services Division administers the ESG Program to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grant is 100 percent funded by HUD. According to federal law, 95 percent of funds received must be allocated to the 10 regional Human Resource Development Councils (HRDCs) in the state. The grants fund the renovation, rehabilitation or operating costs of homeless shelters, and the provision of follow-up and long-term

services to help homeless persons escape poverty. Shelters to be assisted and services to be delivered are determined by the HRDCs.

Contact person: Jim Nolan, Intergovernmental Human Services Bureau, Montana Dept. of Public Health and Human Services, (406) 447-4260.

### **Housing Opportunities for Persons With AIDS (HOPWA) Program**

The MDPHHS Human and Community Services Division also administers the HOPWA Program. New in 2002, MDPHHS received a three-year competitive HOPWA grant covering the States of Montana, North Dakota, and South Dakota. In October 2004, the MDPHHS was awarded a HOPWA renewal grant of \$1,450,800 to continue operating the Tri-state Housing Environments for Living Positively (TS HELP) program. This program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families in the three states, which do not qualify for direct HOPWA formula grant funding. TS HELP is a partnership between MDPHHS and four private agencies in North Dakota, South Dakota, and Montana: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

Contact person: Jim Nolan, Intergovernmental Human Services Bureau, Montana Dept. of Public Health and Human Services, (406) 447-4260.

### **Shelter Plus Care (SPC) Program**

Shelter Plus Care grants help provide housing and supportive services on a long-term basis for homeless people with disabilities, especially serious mental illness, chronic drug or alcohol problems, and AIDS. Program grants are used for the provision of rental assistance payments through Section 8 Moderate Rehabilitation (SRO), sponsor-based rental assistance (SRA), tenant-based rental assistance (TRA), or project-based rental assistance (PRA). HUD requires that 10 percent of total funds be made available for each of these four program types.

SPC funds are awarded in a nationwide competition, with priority given to homeless needs. States, units of local government, Indian tribes, and public housing authorities (PHAs) can apply for SPC grants. Support services must match rental assistance and must be supplied by federal, state, or local governments or private sources.

Non-PHA applicants applying for the SRO component must subcontract with a PHA to administer the rental housing assistance. Applicants for the SRA must subcontract with a nonprofit organization, also called a sponsor, to provide rental assistance to sponsor-owned or leased units. PRA applicants must subcontract with a building owner to provide rental assistance for units in a particular property.

As funds become available, a Notice of Funding Availability (NOFA) will be published in the Federal Register. Nonprofits interested in applying for Shelter Plus Care funding in Montana will need to apply through the Montana Continuum of Care Coalition for the Homeless.

Contact person: *Renae Blair, Office of Community Planning and Development, U.S. Dept of Housing & Urban Development-Denver, (303) 672-5414, Ext. 1334.*

Contact person: *Bob Buzzas, CIVIC Consulting - Montana Continuum of Care Coalition for the Homeless, (406) 586-1572.*

### **Supportive Housing for the Elderly (Section 202)**

Supportive Housing for the Elderly provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202) and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest-bearing, and are based on development cost limits published in the Federal Register. Project rental assistance covers the difference between the HUD-approved operating cost per unit and 30 percent of resident's adjusted income. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit organizations and consumer cooperatives are eligible to apply.

A NOFA is issued in the spring for Supportive Housing for the Elderly and funding is available for eligible Montana entities. To receive application materials, call (800) HUD-8929.

Contact person: Cynthia Lightner, U.S. Dept of Housing & Urban Development, Denver Multifamily Hub, (303) 672-5343, Ext. 1145.

### **Supportive Housing for Persons with Disabilities (Section 811)**

Section 811 grant monies are awarded to nonprofit organizations providing assistance to expand housing with supportive services for persons with disabilities. This often includes group homes and independent living facilities. Section 811 is targeted toward persons with a physical or developmental disability, or chronic mental illness that is expected to be of long and indefinite duration, substantially impedes the person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.

The program was authorized by the National Affordable Housing Act, Section 811. The competitive grants are available in two forms: capital advances based on the development cost limits published in the Federal Register, and project rental assistance to cover the difference between HUD-approved operating costs and 30 percent of the resident's adjusted income. Occupancy is open to very low-income persons who are at least 18 years old.

A NOFA is published in the spring in the *Federal Register* for Supportive Housing for Persons with Disabilities. Funding is available for eligible entities in Montana. Those applications scoring highest receive funding. For application materials, call (800) HUD-8929.

Contact person: Cynthia Lightner, U.S. Dept of Housing & Urban Development, Denver Multifamily Hub, (303) 672-5343, Ext. 1145.

### **Supportive Housing Program (SHP)**

The Supportive Housing Program was created by the Housing and Community Development Act of 1992. It replaces the Supportive Housing Demonstration Program (Transitional Housing Demonstration Program and Permanent Housing for Handicapped Homeless Program) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH). It incorporates many features of these programs into one program of assistance to governmental entities and private nonprofit organizations to provide housing and supportive services to homeless people. The SHP provides funding under four main components:

- Transitional housing to facilitate the movement of homeless individuals and families to permanent housing.
- Permanent housing that provides long-term housing for homeless people with disabilities (including AIDS and related diseases).
- Housing that is part of a particularly innovative project for meeting the immediate and long-term needs of homeless individuals and families.
- Supportive services for homeless individuals and families not provided in conjunction with supportive housing facilities.

The SHP covers acquisition, rehabilitation, new construction and lease of structures, operating costs, supportive services, and administrative costs. SHP funds provided for acquisition, rehabilitation, and new construction must be matched with an equal amount of funds from other sources, including from the recipient, federal, state and local governments, or private resources. Grants for operating costs can be used to pay up to 75 percent of the operating cost in each year of the grant term. The match requirement is the difference between the total operating costs and the amount of the SHP operating funds. The match requirement for supportive services is an 80-20 split of supportive services costs between SHP and the grantee.

Grants are available to states, local governments, other government entities, Indian tribes and housing authorities, private nonprofit organizations, and community mental health associations that are public nonprofit organizations.

Within the SHP, Safe Havens grants provide very low-income housing for homeless people with serious mental illnesses. It is intended to take in people who may not be willing to enter a housing program. Funds may be used for new construction, acquisition, rehabilitation, leasing assistance, low-demand support services, outreach activities for eligible persons, and operating costs. Governments, private and public organizations may apply for funding. All funds must be matched. New construction is restricted to \$400,000 with a one-for-one match. Acquisition and rehabilitation are limited to \$200,000 to \$400,000, depending on high cost areas.

The Rural Homeless Initiative provides for the same activities as SHP, but incorporates homeless prevention activities. Preventive measures can include assistance with rent payments, advocacy, and others that are designed to keep rural residents from becoming homeless.

As funds become available, a NOFA will be published in the Federal Register. Nonprofits interested in applying for SHP funding in Montana will need to apply through the Montana Continuum of Care Coalition for the Homeless.

Contact person: *Renae Blair, Office of Community Planning and Development, U.S. Dept of Housing & Urban Development-Denver, (303) 672-5414, Ext. 1334.*

Contact person: *Bob Buzzas, CIVIC Consulting - Montana Continuum of Care Coalition for the Homeless, (406) 586-1572.*

## **Section 8 Single Room Occupancy (SRO) Moderate Rehabilitation Program for Homeless Individuals**

This program provides rental assistance for homeless individuals in rehabilitated SRO housing. The Section 8 assistance is provided in the form of rental assistance payments. These payments equal the rent for the unit, including utilities, minus the portion of the rent payable by the tenant under the U.S. Housing Act of 1937. Rehabilitation must involve a minimum expenditure of \$3,000 per unit, including its prorated share of work to be accomplished on common areas or systems, to upgrade to decent, safe, and sanitary condition to comply with the housing quality standards (HQS). The maximum expenditure allowed per unit is \$15,900. Private nonprofit organizations, Indian housing authorities (IHA), and public housing authorities are the only eligible applicants. Private nonprofits must subcontract with PHAs to administer the rental assistance.

Contact person: *Renae Blair, Office of Community Planning and Development, U.S. Dept of Housing & Urban Development-Denver, (303) 672-5414, Ext. 1334.*

## **OTHER FEDERAL PROGRAMS**

### **Low Income Housing Tax Credit (LIHTC) Program**

The low income housing tax credit, established by Congress in the Tax Reform Act of 1986, is intended to provide for the retention, rehabilitation, and construction of low-income rental housing. Through the program, developers and owners of qualified housing receive an annual federal tax credit for 10 years, based on the number of housing units provided to low-income individuals and families. The Montana Board of Housing (MBOH) administers the LIHTC in Montana and receives authority to allocate the credit through the Internal Revenue Code of approximately \$2.1 million per year. Staff monitors projects to ensure

low-income tenant and rent restrictions are met. Any non-compliance issues are reported to the IRS.

Contact person: *Mathew Rude, Multifamily Program Manager, Montana Board of Housing, (406) 841-2840.*

### **Veterans Administration (VA) Direct Loans for Native Americans Living on Trust Lands**

The VA Native American Direct Loan (NADL) Program is available to assist eligible Native American veterans purchase, build, or improve a home on Tribal Trust Lands. Loan amounts are determined by an appraisal of the property but are limited to a maximum of \$80,000, the appraised value, or the cost of the home, whichever is less. To qualify, the applicant's tribal organization or group must have signed an agreement to participate in the NADL Program. The applicant must be determined to be a satisfactory credit risk and have sufficient income to repay the loan before the loan can be approved.

Native American Veterans desiring more information or wanting to determine his or her eligibility for the NADL Program should contact: *Bruce Newton, Sr. Loan Specialist, VA Regional Loan Center, Box 25126, Denver, CO 80225 or call toll-free (888) 349-7541.*

### **U.S. Department of Energy and Other Energy Programs**

Energy program funds are available from the U.S. Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

#### Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program, administered by the MDPHHS, is 100 percent funded by the U.S. Departments of Energy and Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local HRDCs and tribal organizations. These groups decide where the grant money will be spent to install energy saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption. Specific measures are decided upon after each home has had an energy audit to determine what activities would be most cost-effective. Measures include insulation, caulking, and furnace repair or

replacement. Labor and materials are purchased locally. By reducing overall costs, weatherization helps a family stay in their home, increasing family self-sufficiency.

Funds are currently available and are being allocated in the weatherization program. Submitted applications scoring highest receive funding. Apply by calling the contact listed below or (800) 332-2272.

Contact person: *Jim Nolan, Intergovernmental Human Services Bureau, Montana Dept. of Public Health and Human Services, (406) 447-4260.*

#### Low Income Energy Assistance Program (LIEAP)

The Human and Community Services Division Low Income Energy Assistance Program (LIEAP) is 100 percent funded by the U.S. Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for households is determined using matrix tables that factor the household's income, fuel type, size and type of home, and local heating degree-days. Payments are made directly to the household's utility company. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Eligible applicants are prioritized according to energy usage. Those applicants with the highest energy usage receive weatherization assistance. Apply by calling the contact listed below or (800) 332-2272.

Contact person: *Jim Nolan, Intergovernmental Human Services Bureau, Montana Dept. of Public Health and Human Services, (406) 447-4260*

#### **U.S. Department of Agriculture Rural Development Programs**

U.S. Department of Agriculture (USDA) Rural Development loans and grants are available to assist rural Montana with Single Family Housing and Multi-Family Housing needs. Rural Development partners with local lenders, community groups and local, state and federal funding sources.

Contact person: *Deborah Chorlton, Housing Program Director, Rural Development, Bozeman, (406) 585-2551.*

## Single Family Housing Programs

The Single Family Housing programs provide homeownership opportunities to very low-, low- and moderate-income rural residents through several loan, grant and guarantee programs. The program also provides loans and grants to individuals to finance the vital improvements necessary to make their homes decent, safe, and sanitary.

### *Rural Housing Guaranteed Loans (Section 502)*

The purpose of this program is to assist low- and moderate-income households through the 90 percent guarantee of loans made by conventional lenders for acquisition of single-family homes. Because a down payment is not required, this program helps borrowers by reducing the closing costs. In addition, there is no mortgage insurance premium cost which further reduces the up front costs and monthly payments.

Applicant Requirements: To qualify for a loan guarantee, each applicant must meet all of the following criteria:

- Be unable to obtain a loan through a conventional mortgage source;
- Have sufficient income to meet all obligations;
- Principal, interest, taxes, and insurance (PITI) cannot exceed 29 percent of monthly gross income;
- Total indebtedness (monthly obligations) cannot exceed 41 percent of monthly gross income
- Have an acceptable credit history;
- Be a U.S. citizen or be legally admitted to the United States for permanent residency;
- Be the owner occupant of the dwelling;
- Adjusted annual income must meet the income requirements for the area (less than 115 percent of area median income). Contact your local office for the applicable area limits.

Home Requirements: In addition to applicant requirements, there are also certain requirements for the home. It must provide modest, decent, safe, and sanitary housing for the family and cannot have an in-ground swimming pool or other structures designed for income-producing purposes.

The land value of the property cannot exceed 30 percent of the appraised market value of the home. The property must meet FHA requirements.

- 502 Leveraged Loans: Under this program, a minimum of 20 percent of the total mortgage is covered by a loan from the conventional lender, while the remainder is financed through a USDA Rural Development loan at a lower interest rate based on the borrower's income. This provides the borrower with a "blended" interest rate lower than market rates. Applicant's income is limited to less than 80 percent of area median income.
- 502 Direct Loans: In limited circumstances, borrowers can receive a 100 percent direct loan from USDA for the entire purchase price of the home at significantly lower interest rates. Because available funds for the program are limited, assistance under this program is reserved for those with the greatest need looking for homes in targeted areas. Applicant's income is limited to less than 80 percent of area median income.

#### 504 Repair Loans and Grants

USDA Rural Development also helps existing homeowners with home improvement loans to improve or modernize their existing home. Eligible very low-income residents (less than 50 percent of area median income) can apply for loans of up to \$20,000 at one percent interest with a repayment period of up to 20 years.

Very low-income elderly residents aged 62 or older may qualify for grants or a combination of grants and loans to remove health or safety hazards. Lifetime grant assistance is limited to \$7,500.

#### Eligible Improvements:

- Installation and repair of sanitary water and waste disposal systems, including related plumbing and fixtures
- Payment of reasonable connection fees for utilities
- Various energy conservation measures including installation of insulation and storm windows
- Repair or replacement of heating systems and electrical wiring
- Structural improvements including repair of, or provision for structural supports; repair or replacement of the roof; and replacement of severely deteriorated siding

- Improvements to make homes accessible to handicapped residents

### Technical Assistance Grants/Mutual Self-Help Housing Program

Another option available for some families in Montana is the Mutual Self-Help Housing Program. Through this program, nonprofit organizations receive technical assistance grants to help very low- and low-income families build their own homes. Applicants must show a need for self-help housing, the professional expertise to supervise a project and a lack of funding to be eligible for this assistance.

Approved applicants in groups of 8 to 12 families provide sweat equity, working together under the guidance of professionals to build each other's homes. When all the homes are completed, each family has gained shelter, confidence, beneficial skills, and an unparalleled sense of community relationship.

## Multi-Family Housing Programs

### Section 515 Rural Rental Housing Loans

Increased home prices have resulted in a higher percentage of renters throughout the nation. More facilities are needed to meet this demand. The multi-family housing Section 515 program provides financing to build, or purchase and repair, apartment style housing for very low- and low-income residents in rural communities with a population of up to 20,000 people. Tenants pay 30 percent of their monthly gross income and the program subsidized the remaining rent through rental assistance. Interest rates are subsidized at one percent. The loan term is 30 years with a 50-year amortization.

The housing must be modest in size, design, and cost, but adequate to meet the tenant's needs.

Eligible applicants include individuals, trusts, associations, general partnerships, limited partnerships, limited liability companies, State or local public agencies, limited-profit, and nonprofit corporations. Nonprofit corporations may be organized on a regional or multi-county basis. Loans to nonprofits may be up to 100 percent of the appraised value or development cost, whichever is less.

### Section 538 Guaranteed Rural Rental Housing Program

The Section 538 Guaranteed Rural Rental Housing Program is available thanks to a partnership between the Federal government and major financial lending institutions. The program is designed to help qualified local lenders serve the rental housing needs of low- and moderate-income households in their community.

Under the RHS Guaranteed Rural Rental Housing Program, qualified lenders are authorized to originate, underwrite, and close loans for multifamily housing complexes requiring new construction. In turn, USDA will guarantee the lender's loan up to 90 percent of the total development cost and will commit to paying up to 90 percent of the outstanding principal and interest in the event of a default on the loan. The program has had less than a one percent default rate over its history.

The loan guarantees can be used with other subsidy funding programs such as the Low-Income Housing Tax Credit program, Montana Department of Commerce's HOME program, and state rental assistance programs.

To be eligible for the program, lenders should be approved as multi-family lenders through FHA, Fannie Mae, or Freddie Mac. Other lenders with multi-family lending experience may also be approved, such as Federal Home Loan Bank system members and State or Local Housing Finance Authorities (HFAs).

The lender must assume the risk on the unguaranteed portion of the loan, underwrite, and originate loans for the guarantee. The lender performs all loan servicing functions, including asset management and liquidation, and monitors rent and income levels of the project.

Loan guarantees can be used for:

- New construction, and moderate or substantial rehabilitation
- Acquisition of buildings that meet "special housing needs"
- Combination of construction and permanent loans
- Construction of a wide variety of housing types

Eligible borrowers include:

- Individuals

- Nonprofit or limited-profit corporations
- Partnerships
- Limited liability companies
- Trusts
- State and local agencies
- Indian tribes, and any other entity deemed eligible

### *Farm Labor Housing*

Farm Labor Housing provides loans and grants to farm owners, family farm organizations, state and local public agencies, and private broad-based organizations or nonprofit organizations of farm workers. The basic objective is to provide decent, safe, and affordable housing for domestic and migrant farm labor located in areas where the need exists. The housing units can be located on or off the farm property.

### Housing Preservation Grants

Housing Preservation Grants are provided to nonprofit and governmental organizations to remove health and safety hazards to owner-occupied residences or rental housing for low-income individuals. These grants are combined with other funding sources to accomplish the repairs.

### **Guaranteed Loan Programs**

A number of guaranteed loan programs at or below market rates are available for qualified homebuyers. Financial institutions in partnership with the Montana Board of Housing make guaranteed loans available to Native Americans and those living in rural settings. The U.S. Department of Veterans Affairs offers guaranteed loans to eligible service members, veterans, and unmarried surviving spouses.

### HUD Section 184 Indian Housing Program

The Indian Home Loan Guarantee Program is a new and innovative housing program to enable Native American families and tribally designated housing entities to gain access to sources of private financing. A tribal member who will occupy the property as his/her principal home and has met certain credit and underwriting standards is an eligible borrower. Tribally designated housing entities that may borrow funds for the development of single-family housing and up to four units of multi-family housing. These units are

subsequently sold to eligible borrowers. Loans are processed by lenders and reviewed by HUD's Office of Loan Guarantee in Denver, Colorado. Lenders can be direct endorsement certified. To apply, visit any approved lender (financial institution) and apply for a mortgage loan.

Contact person: Lyle Konkol, U.S. Dept. of Housing & Urban Development, Helena Field Office, (406) 447-1487

The Montana Board of Housing set aside \$1,000,000 in recycled mortgage funds to provide the permanent financing for qualifying lower income individuals for single family homes located on trust land on an Indian Reservation that are guaranteed by HUD through Section 184 for Native Americans. The Board worked with local banks, Tribal representatives, Bond Counsel, State and Regional HUD officials to get special consideration and guarantees from the Secretary of HUD in Washington D.C. to enable the Board to participate in this program.

Contact person: Charles Brown, Single Family Program, Montana Board of Housing, (406) 841-2840.

### HUD Title VI Loan Guarantee Program

The purpose of HUD's Title VI Loan Guarantee Program is to assist recipients (borrowers) who want to finance eligible affordable housing activities, but are unable to secure financing without the assistance of a federal guarantee. The borrower leverages IHBG funds to finance affordable housing activities today by pledging future grant funds as security for repayment of the guarantee obligation. A private lender or investor provides the financing and HUD provides the guarantee to the lender or investor.

Contact person: Lyle Konkol, U.S. Dept. of Housing & Urban Development, Helena Field Office, (406) 447-1487

### **HUD Housing Counseling Grant Program**

The objective of this program is to counsel homeowners, homebuyers, and prospective renters and tenants in improving their housing conditions and in meeting the responsibilities of tenancy and homeownership. The uses are to provide a variety of housing counseling services including single family home buying, renting, defaults, foreclosures, credit issues and reverse mortgages. Eligible applicants are qualified public or private nonprofit

organizations that can provide special competence and knowledge counseling for low- and moderate-income families. The program has no matching fund requirements. However, applicants are to demonstrate funding from other resources.

Contact: *Denver Homeownership Center (303) 672-5200 Ext. 1021 or phone (800) 569-4287 for the nearest Housing Counseling Agency.*

### **Rural Housing and Economic Development Program**

The objective of this program is to expand the supply of affordable housing and access to economic opportunities in rural areas. Grants can be used for capacity building, and support for innovative housing and economic development activities. Eligible applicants are rural nonprofit organizations and community development corporations, federally recognized tribes, state housing finance agencies, and state community and economic development agencies.

Contact person: *Larry Gallagher, U.S. Dept. of Housing & Urban Development, Helena Field Office, (406) 447-1480*

### **VA Guaranteed Home Loans for Veterans**

The U.S. Department of Veterans Affairs (VA) guarantees loans made by mortgage lenders to eligible military veterans, active duty military service members, certain members of the National Guard and Selective Reserves, and certain un-remarried surviving spouses of deceased veterans. The purpose of a VA Guaranteed loan can be to purchase, build, or improve personal residences, or to refinance an outstanding mortgage on a home. Properties securing VA loans must meet acceptable Minimum Property Standards. The VA does not require a down payment and the maximum loan amount is determined by the lesser of the appraised value or the cost of the home. "Cash out refinance loans" are limited to 90 percent of the appraised value of the home. Applicants must be determined to be a satisfactory credit risk and have sufficient income to repay the loan and certify that they intend to occupy the property as their permanent place of residence.

To apply for a Certificate of Eligibility for VA Loan Guaranty Benefits, a veteran should complete a Request for Determination of Eligibility, VA Form 26-1880, and submit it with proof of military service to the VA Eligibility Center, PO Box 240097, Los Angeles, CA 90024. Further information about VA loans is also available.

Contact: *Loan Production, VA Regional Loan Center, Box 25126, Denver, CO 80225-0126 or call toll-free (888) 349-7541, option 2.*

## **HUD/FHA Mortgage Insurance and Conversion Programs**

The Federal Housing Administration (FHA) helps homebuyers become homeowners through its mortgage insurance programs. An FHA insured loan is available to anyone with a satisfactory credit record, an income sufficient to afford the mortgage payments and adequate savings to cover a low down payment and closing costs. Homebuyers wishing to obtain an FHA insured mortgage should contact any FHA approved lending institution such as a bank, mortgage company, savings and loan or credit union.

### Section 203B Insured Loans

This program is limited to owner occupant buyers for the purchase of a new or existing one-to-four unit dwelling. The down payment requirement is 3 percent of the purchase price or appraised value, whichever is lower.

The maximum mortgage FHA can insure depends on local housing prices. For example, the maximum mortgage can range from a low of \$172,632 to more than \$331,968 depending on the number of units in the dwelling and the County in which it is located. Contact a lender for information on maximum mortgage limits in your area and to apply for an FHA insured mortgage.

Contact person: *Don Smith, HUD/FHA - Helena Office, (406) 449-5050.*

### Section 203K Substantial Rehabilitation Insured Loans

This program allows an owner occupant or investor to finance the purchase of a property in need of repairs, or to refinance an existing loan and needed repairs. Using a 203K insured mortgage, the borrower can get one mortgage loan at a long term fixed (or adjustable) rate to finance the purchase price of the property as well as the cost of repairs. The benefit to the lender is that the loan is FHA insurable at closing, before any repairs are started. The benefit to the borrower is that only one loan is necessary to purchase and repair the home. Without 203K, a purchaser would likely have to obtain one loan to purchase the property, another loan to do the repairs and another permanent mortgage when the work was completed to pay off the interim loans with the permanent mortgage.

The program is flexible. It can be used to improve an existing one-to-four unit dwelling in any of the following ways:

1. Buy a home and remodel
2. Refinance your present home and remodel
3. Buy a house and move it onto a new foundation on another property
4. Place your manufactured home (built after 6/15/76) on a permanent foundation
5. Convert a single family home to a 2- to 4-unit property
6. Remodel a multi-unit property to a single family home
7. Rebuild a damaged or demolished home as long as the existing foundation is acceptable

For example, the 203K can be used to remodel a kitchen, add a bathroom, finish a basement, build a new garage, install new siding, drill a well, replace a septic system, update the plumbing, heating or electrical systems, repair or replace a roof, install new flooring, install energy efficiency items or any other type of remodeling idea you might have. Contact a lender for information on maximum mortgage limits in your area and to apply for an FHA 203K insured mortgage.

Contact person: Don Smith, HUD/FHA - Helena Office, (406) 449-5050.

### Home Equity Conversion Mortgages (HECM)

Homeowners age 62 and older who have paid off their mortgages or have only small mortgage balances remaining are eligible to participate in HUD's reverse mortgage program. The program allows homeowners to borrow against the equity in their homes. Homeowners can receive payments in a lump sum, on a monthly basis (for a fixed term or for as long as they live in the home), or on an occasional basis as a line of credit. Homeowners whose circumstances change can restructure their payment options.

Unlike ordinary home equity loans, a HUD reverse mortgage does not require repayment as long as the borrower lives in the home. Lenders recover their principal, plus interest, when the home is sold. The remaining value of the home goes to the homeowner or to his or her survivors. If the sales proceeds are insufficient to pay the amount owed, HUD will pay the lender the amount of the shortfall. The Federal Housing Administration, which is part of HUD, collects an insurance premium from all borrowers to provide this coverage.

The size of reverse mortgage loans is determined by the borrower's age, the interest rate, and the home's value. The older a borrower, the larger the percentage of the home's value that can be borrowed. For example, based on a loan at 9 percent interest, a 65-year-old could borrow up to 26 percent of the home's value, a 75-year-old could borrow up to 39 percent of the home's value, and an 85-year-old could borrow up to 56 percent of the home's value.

There are no asset or income limitations on borrowers receiving HUD's reverse mortgages. There are also no limits on the value of homes qualifying for a HUD reverse mortgage. However, the amount that may be borrowed is capped by the maximum FHA mortgage limit for the area. As a result, owners of higher-priced homes cannot borrow any more than owners of homes valued at the FHA limit.

HUD's reverse mortgage program collects funds from insurance premiums charged to borrowers. Senior citizens are charged 2 percent of the home's value as an up-front payment plus one-half percent on the loan balance each year. These amounts are usually paid by the lender and charged to the borrower's principal balance. Contact a lender for information on maximum mortgage limits in your area and to apply for a HUD/FHA Home Equity Conversion mortgage.

Contact person: Don Smith, HUD/FHA - Helena Office, (406) 449-5050.

### Section 248 - Mortgage Insurance Program on Indian Reservations and Other Restricted Lands

The Section 248 program insures mortgages for eligible Native Americans who wish to purchase or construct a home on trust lands. In the past, it was almost impossible for homeowners to obtain a mortgage on a reservation due to the restrictions on land ownership. HUD is helping to solve this problem through the Section 248 Program, which requires the active participation of tribes and certain measures to be taken by those tribes. Although allotted land is not eligible for this program, the following types of Indian land are eligible for Section 248:

Communally Held Lands: In this case, the U.S. government holds legal title and the undivided beneficial interest is held by the tribe as a single entity. When the tribe communally holds land, individual members share the property but cannot claim specific pieces of land.

Assignments: Although land is communally held, the tribe may confer a license on the individual to use a particular piece of land as desired. That license is usually referred to as an assignment and, while the terms of assignment may differ, it is usually passed on to heirs.

Contact person: Lyle Konkol, U.S. Dept. of Housing & Urban Development, Helena Field Office, (406) 449-5050.

## **STATE PROGRAMS**

### **MONTANA BOARD OF HOUSING (MBOH) PROGRAMS**

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to operate the programs administered under the act are generated either through the sale of tax-exempt bonds or from administrative fees. The MBOH receives no state funds to operate the programs. The MBOH's programs fall into three categories: home ownership, multi-family, and elderly programs. Each is described below.

#### **Home Ownership Programs**

##### Single Family Mortgage Program

This program is financed through the sale of tax-exempt bonds issued by the MBOH. Because of the tax-exempt status of the bonds, the MBOH is able to loan the funds to lower income individuals in the form of low-interest loans. While the program is mainly to assist first time homeowners, in certain targeted areas, the borrowers need not be first time purchasers. The home is to be owner-occupied with limited business use of the property. Income and purchase price limits apply for the area of Montana where the house is located. The refinancing of an existing home loan is not permitted.

Contact person: Charles Brown, Single Family Program, Montana Board of Housing, (406) 841-2840.

### Recycled Single Family Mortgage Program

The MBOH makes mortgage funds available through the recycling of mortgage prepayments and other funds held under prior bond issues of the Single Family Bond Program. The MBOH works in partnership with local nonprofit housing providers and local governments to develop programs to target specific housing needs within the local community. The MBOH provides the permanent, below market rate, 30-year mortgage financing. This is often coupled with federal grants or local funds to assist in making home ownership more affordable for lower income individuals and families. Applications are submitted through the MBOH's "Request for Proposal" process, on a monthly basis.

Contact person: Charles Brown, Single Family Program, Montana Board of Housing, (406) 841-2840.

### Disabled Accessible Affordable Homeownership Program

The MBOH sets aside funds to provide affordable, architecturally accessible homes for people with disabilities such that they can live independently. An eligible home buyer, spouse, child, or parent must have a permanent physical disability with a mobility impairment, may not have an annual income in excess of \$30,000 or total family assets exceeding \$50,000, and must be a first time home buyer or had purchased a home prior to becoming disabled and it is no longer accessible to their needs.

Contact person: Charles Brown, Single Family Program, Montana Board of Housing, (406) 841-2840.

## **Multi-Family Programs**

### General Obligation (GO) Multifamily Rental Program

This program provides mortgage financing to owners of qualifying housing when the owner agrees to restrict the rents to a specific amount, and to rent only to tenants below a maximum income level (generally 60 percent of median income). Currently this program is financing the permanent loans for projects, which receive multiple sources of funding through other programs, where rents on the projects are affordable to very low-income state residents.

Contact person: Mathew Rude, Multifamily Program Manager, Montana Board of Housing, (406) 841-2840.

#### HUD/Housing Finance Agency Risk-Sharing

On June 13, 1994, the Board received final approval from HUD to participate in the Risk Sharing program. The Risk Sharing Program works in partnership with the Department of Housing and Urban Development, whereby HUD provides mortgage loan insurance and the Board provides financing, mortgage underwriting and loan management for affordable housing, and the two entities share the risk of loss from a project default. The Board intends to finance the Program through the sale of tax-exempt multifamily bonds.

Contact person: Mathew Rude, Multifamily Program Manager, Montana Board of Housing, (406) 841-2840.

### **Elderly Program**

#### Reverse Annuity Mortgage Loan Program for Elderly Persons

This program enables elderly Montanans to use their home equity for an additional income source. The funds may be used for home repairs or improvements, medicine, utility costs, etc. Eligibility is subject to age and income requirements. This loan requires borrowers to complete a reverse annuity mortgage counseling program. Loans can be from \$15,000 to a maximum of \$100,000. The maximum loan amount would be based on 80 percent of the FHA-appraised property value. Loans are offered at a five percent interest rate.

Contact person: Gerald Watne or Justin Schedel, Multifamily Program, Montana Board of Housing, (406) 841-2840.

## **OTHER PROGRAMS**

### **Fannie Mae Program – Montana Partnership Office**

Through the Montana Partnership Office (MTPO), Fannie Mae works to expand affordable mortgage products and services to support growing communities, under-served neighborhoods, and low- and moderate-income families; to invest in affordable multifamily

developments while working to preserve the affordability of existing rental housing units; and to expand access to mortgage credit on Native American reservations in Montana.

Fannie Mae does not lend money directly to homebuyers. Rather, it purchases loans from lenders in Montana both directly and through “consolidating lenders”. Loans are purchased in all markets, at all times, regardless of any economic changes.

### **American Dream Commitment®**

Fannie Mae’s American Dream Commitment® for Montana is a five-year strategy, implemented with the collaborative help of private, public and nonprofit sectors. The plan is a \$2.5 billion housing investment plan to provide affordable homeownership and rental opportunities for more than 25,000 working families in Montana. The new investment plan is an extension of Fannie Mae’s ‘HouseMontana’ plan announced in 2000, that had a goal of investing \$1.25 billion over five years. Fannie Mae surpassed that goal by investing \$2.4 billion in under four years, providing affordable homeownership and rental housing for more than 22,000 Montana residents, including 3,983 first time home buyers and 7,170 low- and moderate- income families.

The American Dream Commitment for Montana focuses on three key areas:

#### ➤ Expanding Access to Homeownership

- *First Time Home Buyers.* To help make homeownership more affordable for first-time home buyers, Fannie Mae will continue to work with the Montana Board of Housing (MBOH) to purchase more Mortgage Revenue Bonds (MRBs) that provide low-interest mortgages for first time homebuyers.
- *People with Disabilities:* More than 18 percent of people living in Montana have a disability. Fannie Mae, A.W.A.R.E., and the MBOH will expand affordable homeownership financing for people with disabilities statewide through the HomeChoice Coalition of lenders, support providers, and others. Fannie Mae will also invest in the construction and refinancing of supportive group homes for individuals with disabilities that makes long-term fixed-rate financing available to these properties, such as A.W.A.R.E.’s Supportive Housing Duplex.
- *Native American Homeownership Efforts:* Fannie Mae has been a leader on Native American housing issues, including signing an agreement with the Crow Tribe to bring conventional mortgage financing to tribal members, and financing the construction of new

homes on the Blackfeet reservation for low-income tribal families. In the coming years, Fannie Mae will work with other Montana tribes to bring conventional financing and new or revitalized housing stock to more reservations.

➤ Preserving Homeownership and Rental Opportunities

- *Preserve Existing Affordable Rental Housing:* Montana has more than 7,800 affordable rental units that are at risk of converting to more expensive market-rate housing by 2010 due to expiring federal assistance.
- *Keep People in their Homes:* To help seniors stay in their homes, Fannie Mae will work with the Montana American Association of Retired Persons (AARP) to explore ways to finance new, livable and supportive housing communities for seniors to help them age in place. They will also develop ways to combat predatory lending practices through AARP education, legal counseling and refinancing options. Fannie Mae will continue to educate the financial services industry on reverse mortgages that enable long-time homeowners to convert home equity into cash to help pay for repairs and home-access modifications such as handrails or wheelchair ramps.

➤ Increasing the Supply of Housing Where it is Needed Most

- *Community Development:* Fannie Mae will work with cities and developers to help revitalize and increase the supply of housing through various forms of financing, such as bond financing and lines of credit. In Butte, A.W.A.R.E.'s Supportive Housing Duplex recently received a \$200,000 loan, and the City of Billings received a \$2 million line of credit to renovate and build affordable housing downtown. The first funds went to the renovation of the downtown Securities Building.
- *Rural Housing:* Fannie Mae recently announced a concentrated effort to invest \$130 billion in targeted underserved rural regions across America, including the Great Plains states such as Montana to increase rental housing, housing for aging populations, and other rural housing issues. In Montana, Fannie Mae will work to make long-term fixed-rate financing available in rural communities through First Interstate Bank.

Contact persons: Fannie Mae - Helena: Maureen Rude, Director, or Jerilee Brooks, Administrative Assistant, (406) 443-6940, Fax: (406) 443-6950; Fannie Mae - Billings: Mary Lou Affleck, Deputy Director, (406) 259-7049, Fax: (406) 259-7077.

## **Fannie Mae HomeChoice<sup>SM</sup> Mortgage**

The Montana Home Choice Coalition in partnership with the Fannie Mae Montana Partnership Office and participating lenders currently offers the Fannie Mae HomeChoice<sup>SM</sup> Mortgage for People with Disabilities statewide. Many lenders in the state are participating through a partnership between Fannie Mae, MBOH, and US Bank Home. In addition to the HomeChoice<sup>SM</sup> Fannie Mae and lenders are also offering the Community Living Loan, which helps providers of housing to finance group homes or other supportive housing facilities. Please contact the Fannie Mae for more details.

Fannie Mae's HomeChoice<sup>SM</sup> Mortgage for People with Disabilities is specifically designed for low- and moderate-income people who have disabilities, who have family members with disabilities living with them, or who have family members they would like to assist in buying a home. The Fannie Mae HomeChoice<sup>SM</sup> Mortgage offers financing flexibility targeted at the needs of individuals and families with disabilities:

- Budget Based mortgage qualifying including non-income sources of support and actual living expenses
- Nontraditional credit history recognized
- Down payments as low as \$500
- Refinancing option
- Rehab and access modification financing option
- Flexible qualifying ratios
- 15 or 30 year fixed terms

### ➤ Eligible Borrowers:

- Any individual defined as disabled by the Americans with Disabilities Act of 1990 or defined as handicapped by the Fair Housing Amendments Act of 1988, or a family with a person with a disability living in the household.
- A co-borrower who will not be living in the home may be part of the transaction, as long as the co-borrower is a family member or a legal guardian, e.g., a parent could sign the mortgage with an eligible adult child with a disability even if the parent does not plan to live in the home. The non-occupying co-borrower has no income limit eligibility.
- Occupying co-borrowers, e.g., two roommates who would like to buy a home together. Only one co-borrower needs to have a qualifying disability.

➤ Eligible Properties:

- Owner-occupied single-family detached houses, townhouses, and condominiums

## **Montana Home Choice Coalition**

The Montana Home Choice Coalition is a coalition of Montana citizens with disabilities, service and affordable housing providers, advocates, federal, state and local agencies, the housing finance community, realtors and the housing building industry working together to promote homeownership, affordable rentals, and other community integrated living opportunities for people and families with disabilities. A.W.A.R.E., Inc., a statewide nonprofit organization serving individuals and families with disabilities, serves as the lead coordinating agency of the Coalition. The Montana Home Choice Coalition is funded in part under a contract with the Montana Department of Public Health and Human Services and receives additional support from the Fannie Mae Montana State Partnership Office and A.W.A.R.E.

The Montana Home Choice Coalition provides persons with disabilities prepurchase housing counseling, and referral services to existing community resources around the state. The Coalition works to bring additional homebuyer assistance resources to individuals and families with disabilities living in communities across the state. The Coalition educates prospective homeowners with disabilities regarding housing resources that may open up the opportunity of home ownership through community outreach meetings throughout the state of Montana. The Coalition provides accurate information to prospective homebuyers regarding various housing resources and opportunities so that prospective homebuyers can make the best choices in regards their individual situation.

Contact person: Michael M. O'Neil, Montana Home Choice Coalition, (406) 449-3120; Fax (406) 449-3125; TTY Relay Service: (800) 253-4091.

E-mail: [montanahomechoice@aware-inc.org](mailto:montanahomechoice@aware-inc.org);

Website: [www.aware-inc.org/montanahomechoice](http://www.aware-inc.org/montanahomechoice)

## **Montana HomeOwnership Network (MHN)**

The Montana HomeOwnership Network is a partnership of approximately 36 state and local government agencies, local and regional nonprofit corporations, housing industry associations and private lenders who work together to provide homeownership

opportunities in order to stabilize Montana's communities and allow Montana families to obtain the American Dream of HomeOwnership. MHN, an affiliate of Neighborhood Housing Services (NHS) of Great Falls, is a nonprofit organization providing homebuyer education, foreclosure and credit repair counseling, affordable first mortgages, and down payment and closing cost funds to qualified homebuyers in 55 Montana counties. Established out of an urgent need, especially in Montana's rural localities, for home-buying assistance for lower- and moderate-income families, today's MHN partners provide the following:

- Marketing, outreach and homebuyer education, foreclosure prevention and counseling is provided by staff from USDA's Resource Conservation and Development (RC&D) Areas, homeWORD in Missoula and Billings, the Helena Area Housing Task Force, and Neighborhood Housing Services of Great Falls.
- Management of the statewide effort, loan processing, capital raising, administrative support, and access to NeighborWorks Training Institutes is provided by NHS in Great Falls.
- First mortgages are provided by the Montana Board of Housing, Rural Development, and private lenders.
- Second mortgages for down payment and closing costs are provided by MHN with federal, state (including Montana's HOME program), and private funds.
- Mortgage applications and loan closings are processed by financial institutions across the state.
- Client families are referred by local realtors

*Contacts: Montana HomeOwnership Network, Great Falls, (800) 318-0268.*

*Homebuyer Education Providers:*

<i>Beartooth RC&amp;D, Joliet, (406) 962-3914</i>	<i>Eastern Plains RC&amp;D, Sidney, (406) 433-5024</i>
<i>homeWORD, Billings, (406) 255-0298</i>	<i>HRDC of District IX, Bozeman, (406) 585-4878</i>
<i>homeWORD, Missoula, (406) 543-3550</i>	<i>Headwaters RC&amp;D, Butte, (406) 782-7333</i>
<i>Bitterroot RC&amp;D, Hamilton, (406) 363-5450</i>	<i>North Central RC&amp;D, Shelby, (406) 434-9161</i>
<i>Neighborhood Housing Services, Great Falls, (406) 761-5861</i>	<i>Northwest MT Human Resources, Kalispell, (406) 758-5432</i>
<i>Central Montana RC&amp;D, Roundup, (406) 323-2755</i>	<i>Helena Area Housing Task Force, Helena, (406) 442-2265</i>
<i>Northwest Montana RC&amp;D, Libby, (406) 293-8885</i>	

## HOME-Funded Local Programs

- The **City of Laurel** received \$280,000 in HOME funds in 2003 to provide low-interest loans to qualified households within the jurisdictional limits of the city for assistance with housing acquisition costs, down payment or closing costs assistance, and homeowner rehabilitation costs. The maximum amount of assistance per housing unit for both homebuyer assistance and homeowner rehabilitation is \$25,000, depending on the Median Family Income (MFI) of the household. The homebuyer and/or homeowner must have an annual gross income less than 80 percent of the Area Median Income for Yellowstone County, and must use the HOME-assisted unit as his/her principal residence. Applicants must successfully complete the prescreening process administered by the Project Coordinator, and be approved by a participating mortgage lender for the maximum allowable amount. Homebuyers must complete homebuyer education counseling. Those receiving down payment/closing cost assistance must provide a cash down payment of no less than 3 percent of the purchase price.

*Contact person: Casey Joyce, Project Coordinator, Big Sky Economic Development Authority, Billings, (406) 256-6871, ext. 241.*

- The **City of Shelby** received \$450,000 in HOME funds in 2003 to undertake a program of housing rehabilitation for existing homeowners, and homebuyer assistance in the form of down payment and closing costs, coupled with modest rehabilitation for code compliance to qualify homes for mortgage financing. The city anticipates assisting approximately ten low-income families in Shelby with homebuyer assistance and modest rehabilitation, and five homeowners with rehabilitation of their current residence. The average assistance for homebuyer assistance/rehabilitation is anticipated to be \$27,300 and the average assistance for homeowner rehabilitation is anticipated to be \$30,000.

*Contact person: Kathleen Lumsden, Grant Administrator, (406) 434-5222 (City of Shelby).*

- **Glacier Affordable Housing Foundation (GAHF)** received \$500,000 in HOME funds in 2004 to down payment and closing cost assistance, up to \$35,000 per household, to an anticipated 15 to 20 income-qualified first time homebuyers within Flathead County. GAHF will secure the no-interest, shared appreciation, deferred payment loans through a resale restriction agreement. When the assisted homes are sold or refinanced, GAHF

will recapture the original amount funds loaned plus the calculated equity share, which will be used to assist additional eligible homebuyers.

Contact person: Lynn Moon, Affordable Housing Consultant, Glacier Affordable Housing Foundation, (406) 758-7741.

- The **Town of Bridger** received \$378,875 in HOME funds in 2004 to undertake a program of housing rehabilitation for existing homeowners, and homebuyer assistance in the form of down payment and closing costs, coupled with modest rehabilitation for code compliance to qualify homes for mortgage financing. The town anticipates assisting approximately five low-income families in Bridger with homebuyer assistance and modest rehabilitation, and fifteen homeowners with rehabilitation of their current residence. The average assistance is anticipated to be \$20,000.

Contact person: Julie Jones, Double-Tree, Inc., Bridger, (406) 662-3438

- **Ravalli County** received \$400,000 in 2004 to provide homebuyer assistance in the form of down payment and closing cost assistance to an estimated 15 to 20 lower income households in Ravalli County. The average assistance is anticipated to be \$20,000 per household.

Contact person: Brendan Moles, District XI Human Resource Council, Missoula, (406) 728-3710







## HOUSING RESOURCE QUICK REFERENCE GUIDE

State of Montana  
DEPARTMENT OF COMMERCE  
April 2005

### SUMMARY OF RESOURCES AVAILABLE FOR SINGLE AND MULTIFAMILY HOUSING PROJECTS

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
<b>MONTANA DEPARTMENT OF COMMERCE</b>							
HOME Investment Partnerships (HOME) Program	Units of local governments, counties, municipalities (except Billings, Great Falls & Missoula), public housing authorities (PHA), Community Housing Development Organizations (CHDO)	Acquisition, new construction, reconstruction / rehabilitation, tenant-based rental assistance, relocation, homebuyer assistance, transitional housing, and single room occupancy units (SROs)	Yes	Grant	Annually / March	All projects must benefit families at less than 80% of area median income	Julie Flynn, Manager HOME Investment Partnerships Program PO Box 200545 Helena, MT 59620-0545 (406) 841-2820 TDD: (406) 841-2702 E-mail: juflynn@mt.gov  Website: <a href="http://housing.mt.gov/Hous_HM.asp">http://housing.mt.gov/Hous_HM.asp</a>
Community Development Block Grant (CDBG) Program	Counties, municipalities (except Billings, Great Falls & Missoula); local governments may apply on behalf of nonprofit organizations	Acquisition, new construction (with nonprofit organizations), housing rehabilitation & community revitalization, demolition, homebuyer assistance, and housing site improvements	No	Grant	Annually / November	Each project must principally benefit low- and moderate-income persons	Gus Byrom, Program Manager CDBG Housing & Public Facilities PO Box 200523 Helena, MT 59620-0523 (406) 841-2777 E-mail: gbyrom@mt.gov  Website: <a href="http://comdev.mt.gov/CDD_CDBG.asp">http://comdev.mt.gov/CDD_CDBG.asp</a>

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
Tenant Based Section 8 Program		Very low-income families, with household income of 50% or less of the HUD median family income for the county in which the family resides, pay a set amount towards rent and utilities, based on their gross adjusted income (currently 30%). The program provides subsidy payments to property owners on behalf of program participants.	No				Maureen Martin, Chief Housing Assistance Bureau PO Box 200545 Helena, MT 59620-0545 (406) 841-2830 TDD: (406) 841-2702 E-mail: maureenm@mt.gov  Website: <a href="http://housing.mt.gov/Hous_S8.asp">http://housing.mt.gov/Hous_S8.asp</a>
Project Based Section 8 Program		The Project Based Section 8 agency is the contract administrator for properties that HUD manages throughout the state. Rental assistance is provided to the projects instead of the tenants.	No				Dave Parker, Program Manager Project Based Section 8 PO Box PO Box 200545 Helena, MT 59620-0545 (406) 841-2801 TDD: (406) 841-2702 E-mail: dparker@mt.gov  Website: <a href="http://housing.mt.gov/Hous_S8.asp">http://housing.mt.gov/Hous_S8.asp</a>
<b>MONTANA BOARD OF HOUSING</b>							
Low Income Housing Tax Credit Program	Local governments, nonprofit organizations, private individuals	New Construction, Acquisition / Rehabilitation, Rehabilitation	No	Federal Tax Credit	First part of January and April	Restrict income and rents to 50% or 60% of median income	Mathew Rude, Multi-family Program Manager PO Box 200528 Helena, MT 59620-0528 (406) 841-2840 E-mail: mrude@mt.gov  Website: <a href="http://housing.mt.gov/Hous_BOH_MF.asp">http://housing.mt.gov/Hous_BOH_MF.asp</a>

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
Single Family Mortgage Program	Individuals or families who have not owned a home in the past 3 years	Existing homes, new construction, or manufactured homes on a permanent foundation	No	Loan	Continuous	Income Limits maximum (Area median to 140% of area median). Purchase price limit maximum \$172,632	Charles Brown PO Box 200528 Helena, MT 59620-0528 (406) 841-2840 E-mail: chbrown@mt.gov  Website: <a href="http://housing.mt.gov/Hous_BOH_SF.asp">http://housing.mt.gov/Hous_BOH_SF.asp</a>
Recycled Single Family Mortgage Program	For-profit & nonprofit housing providers	Housing programs that serve low income or other homebuyers that cannot qualify for the Single Family Program	No	Loan	Monthly	Must target persons or families that do not qualify for Single Family Program	
Disabled Accessible Affordable Homeownership Program	First-time homebuyer with permanent physical disability with mobility impairment	Existing homes, new construction, or manufactured homes on a permanent foundation	No	Loan	Continuous	Income Limits Max (Area median to 140% of area median) Purchase Price Limit Maximum (\$172,632)	
General Obligation (GO) Multifamily Rental Program	Local governments, nonprofit organizations, private individuals	Projects receiving multiple sources of funding through other programs	No	Loan	None	Restrict income and rents to targeted low income	Mathew Rude, Multi-family Program Manager PO Box 200528 Helena, MT 59620-0528 (406) 841-2840 E-mail: mrude@mt.gov  Website: <a href="http://housing.mt.gov/Hous_BOH_MF.asp">http://housing.mt.gov/Hous_BOH_MF.asp</a>
HUD/Housing Finance Agency Risk-Sharing	Local governments, nonprofit organizations, private individuals	Affordable new construction or acquisition/rehab	No	Loan	None	Restrict income and rents to targeted low income	
Reverse Annuity Mortgage (RAM) Loan Program for Elderly Persons	Montana residents 68 years old or older	Single family dwellings (1 to 4 family living unit)	No	Reverse Loan	None	Age and income limit restriction	Gerald Watne, Multi-family Program Officer E-mail: gewatne@mt.gov  —or— Justin Schedel E-mail: jschedel@mt.gov PO Box 200528 Helena, MT 59620-0528 (406) 841-2840  Website: <a href="http://housing.mt.gov/Hous_BOH_Ed.asp">http://housing.mt.gov/Hous_BOH_Ed.asp</a>

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES							
Emergency Shelter Grants Program (ESG)	Human Resource Development Councils	Operating costs for homeless sheltering, homeless prevention activities, essential services	Yes, 50% in kind	Grant	Varies - depending on Federal regulations	Designed to help shelters or persons in danger of becoming homeless	Jim Nolan, Chief Intergovernmental Human Services Bureau Dept of Public Health & Human Services 1400 Carter Dr., PO Box 4210 Helena, MT 59604 (406) 447-4260 E-mail: jnolan@mt.gov  Website: <a href="http://www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/index.shtml">http://www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/index.shtml</a>
Weatherization	Households below 150% poverty	Various measures to make homes energy efficient	No	Grant	Year-round	Priority given to seniors/disabled	
Low Income Energy Assistance Program (LIEAP)	Households below 150% poverty	Assist with heating bills and emergencies	No	Grant	October 1 through April 30	Priority given to seniors/disabled	
Housing Opportunities for Persons With AIDS (HOPWA) Program	Individuals living with HIV/AIDS and their families	Tenant based rental assistance, emergency assistance, & supportive services	No	Grant	Year-round		
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)							
Shelter Plus Care (SPC) Program	States, units of local government, tribes, public housing authorities. Application is through the Montana Continuum of Care Coalition	Rental Assistance	Yes	Grant	Annually, through HUD's SuperNOFA	Homeless disabled individuals with or without families	Renae Blair Office of Community Planning & Development U.S. Department of Housing and Urban Development 1670 Broadway Denver, CO 80202 (303) 672-5414, Ext 1334 E-mail: Renae_Blair@hud.gov  Website: <a href="http://www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm">http://www.hud.gov/offices/cpd/homeless/programs/splusc/index.cfm</a>
Supportive Housing for the Elderly (Section 202)	Private, nonprofit organizations and nonprofit consumer cooperatives	New Construction, Rehabilitation or Acquisition	No	Grant	Annually	Competitive application process	Cynthia Lightner HUD Multifamily Hub 1670 Broadway, 24 <sup>th</sup> floor Denver, CO 80202 (800) HUD-8929 or (303) 672-5343, Ext 1145 E-mail: Cynthia_H._Lightner@hud.gov
Supportive Housing for Persons with Disabilities (Section 811)	Nonprofit, tax-exempt entities	New construction, rehabilitation or acquisition	No	Grant	Annually	Competitive application process	Multifamily website: <a href="http://www.hud.gov/offices/hsg/mfh/progdesc/progdesc.cfm">http://www.hud.gov/offices/hsg/mfh/progdesc/progdesc.cfm</a>

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
Supportive Housing Program (SHP)	States, units of local government, public housing agencies, tribes, private nonprofit organizations, community mental health centers (CMHCs) that are public nonprofit organizations. Application is through the Montana Continuum of Care Coalition	Acquisition, rehabilitation, new construction, leasing, operating costs, supportive services	Yes	Grant	Annually, through HUD's SuperNOFA	Homeless persons	Renae Blair Office of Community Planning & Development U.S. Department of Housing and Urban Development 1670 Broadway Denver, CO 80202 (303) 672-5414, Ext 1334 E-mail: Renae_Blair@hud.gov
Section 8 Single Room Occupancy (SRO) Mod Rehab Program for Homeless Individuals	Public housing authorities, private nonprofit organizations	Rental Assistance	No	Grant	Annually	Homeless individuals Section 8 eligible current occupants	Website: <a href="http://www.hud.gov/offices/cpd/homeless/programs/sro/index.cfm">http://www.hud.gov/offices/cpd/homeless/programs/sro/index.cfm</a>
HUD Section 184 Indian Housing Program	Tribally designated housing entities and tribal members	Purchase, build, or refinance single family housing and up to 4 unit multifamily properties on tribal land	No	Loan Guarantee	None	Loans are processed by lender and reviewed by Office of Loan Guarantee in Denver	Lyle Konkol HUD - Helena Local Office 7 W. 6 <sup>th</sup> Ave Helena, MT 59601 (406) 447-1487 E-mail: Lyle_J._Konkol@hud.gov  Website: <a href="http://www.hud.gov/offices/pih/ih/homeownership/184/">http://www.hud.gov/offices/pih/ih/homeownership/184/</a>
HUD Title VI	Tribally designate housing entity, or housing authority	Housing related activities	No	Loan Guarantee	Continual	Tribal NAHASDA formula grant is used as collateral for loan	Lyle Konkol HUD - Helena Local Office 7 W. 6 <sup>th</sup> Ave Helena, MT 59601 (406) 447-1487 E-mail: Lyle_J._Konkol@hud.gov

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
Rural Housing and Economic Development	Local rural nonprofit, community development corporations, state housing finance agencies, state community and/or economic development agencies, and federally recognized Indian tribes	Housing and economic development activities in non MSA areas for capacity building and innovative housing activities	Yes	Grant	Announced during the SuperNOFA	See Grants.gov during the NOFA period	Larry Gallagher or Lyle Konkol HUD - Helena Local Office 7 W. 6 <sup>th</sup> Ave Helena, MT 59601 (406) 447-1487 E-mail: Lyle_J._Konkol@hud.gov Lawrence_Gallagher@hud.gov
Housing Counseling Program	Local nonprofits with demonstrated capacity to provide housing counseling	Housing and homeownership counseling, including predatory lending counseling	Yes	Grant	Yearly during the HUD Super NOFA period	See Grants.gov during the NOFA period	Larry Gallagher or Lyle Konkol HUD - Helena Local Office 7 W. 6 <sup>th</sup> Ave Helena, MT 59601 (406) 447-1487 E-mail: Lyle_J._Konkol@hud.gov Lawrence_Gallagher@hud.gov
<b>DEPARTMENT OF VETERAN AFFAIRS</b>							
VA Direct Loans for Native American Veterans	Native American Honorably Discharged Veterans of U.S. Military Service & certain members of the Selective Reserves & the National Guard who have completed six years of service	Purchase, improve, or build a home on Tribal Lands; or refinance a loan secured by a VA loan on Tribal Lands	No	No-down-payment direct loan from VA		Maximum loan amount is \$80,000. Property must be owner occupied and meet Minimum Property Standards. VA Funding Fee is required, but may be included in the loan amount. (Service-connected disabled veterans are exempt from Funding Fee).	Bruce Newton, Senior Loan Specialist VA Regional Loan Center PO Box 25126 Denver, CO 80225-0126 (888) 349-7541 (Toll-Free) Fax: (303) 914-5618 or 914-5627 E-mail: lgybnewt2@vba.va.gov  Website: <a href="http://www.vba.va.gov/ro/denver/loan/lgy.htm">www.vba.va.gov/ro/denver/loan/lgy.htm</a>

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
VA Guaranteed Loans	Honorably Discharged Veterans of U.S. Military Service & certain members of the Selective Reserves & the National Guard who have completed six years of service	Purchase, improve, or build a home; or refinance a loan secured by an owner-occupied home	No	No-down-payment loan	None	Property must be owner occupied & meet Minimum Property Standards. VA Funding Fee is required, but may be included in the loan amount (Service-connected disabled veterans are exempt from Funding Fee).	Carol Barnard, Asst. Loan Production Officer VA Regional Loan Center 155 Van Gordon Street PO Box 25126 Denver, CO 80225-0126 (888) 349-7541 (Toll-Free) Fax: (303) 914-5618 or 914-5627 E-mail: lgycbarn@vba.va.gov  Website: <a href="http://www.vba.va.gov/ro/denver/loan/lgy.htm">www.vba.va.gov/ro/denver/loan/lgy.htm</a>
<b>USDA RURAL DEVELOPMENT (RD) PROGRAMS</b>							
Rural Housing Guaranteed Loans (Section 502)	Individuals and families with incomes not exceeding the moderate income level	Purchase, Construction, Rehabilitation	No down payment required	Loan Guarantee	Continuous Fiscal Year (FY) cycle	HUD maximum mortgage-limits, Guaranteed loan	Deborah Chorlton, Housing Program Director USDA Rural Development PO Box 850 Bozeman, MT 59771 (406) 585-2557 E-mail: <a href="mailto:deborah.chorlton@mt.usda.gov">deborah.chorlton@mt.usda.gov</a>
502 Direct Loans	Very low and low income applicants	Purchase, Construction, Rehabilitation	No down payment required. Loan leveraging encouraged	Loan	Continuous FY cycle	Area RD Loan Amounts	
504 Repair Loans and Grants	Very low income applicants	Repairs to substandard dwellings	Not required but encouraged	Loan or Grant	Continuous FY cycle	Proof of ownership required	
Housing Preservation Grants	Public or private nonprofit organizations, units of state or local government	Repairs to substandard dwellings	No	Grant	FY cycle via NOFA ( <i>Notice of Funding Availability</i> )	Evidence of home ownership. Administered by public body or nonprofit, benefit very-low and low-income families	
Rural Rental Housing Loans (Section 515). Includes congregate & group homes	Individuals, nonprofits, partnerships	New construction or rehabilitation of rental units	Contributions required if for-profit	30 yr loan, interest credit for rental assistance	FY cycle via NOFA	Units must serve low to moderate income tenants including those with disabilities, with the inability to obtain credit elsewhere	

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
Farm Labor Housing Loans & Grants (Section 514 loans, Section 516 grants)	Farmers, public or private nonprofit organizations, units of state or local government	Build, buy or repair farm labor housing	Contributions required if for-profit	Loan and Grants	FY cycle via NOFA		Deborah Chorlton, Housing Program Director USDA Rural Development PO Box 850 Bozeman, MT 59771 (406) 585-2551 E-mail: deborah.chorlton@mt.usda.gov
<b>HUD/FHA MORTGAGE INSURANCE AND CONVERSION PROGRAMS / Federal Housing Administration (FHA)</b>							
203B Insured Loans	Owner occupants with acceptable credit history	Purchase or Refinance 1-4 unit dwelling	No	Loan Guarantee	None	House must be structurally sound with operating mechanical systems	Don Smith HUD - Helena 7 W 6 <sup>th</sup> Ave Helena, MT 59601 (406) 449-5050 E-mail: Don_H._Smith@hud.gov
203K Substantial Rehabilitation Insured Loans	Owner occupants or investors with acceptable credit history	Purchase or Refinance <u>and</u> Rehabilitate 1-4 unit dwelling	No	Loan Guarantee	None	\$5000 in repairs minimum	
Home Equity Conversion Mortgage (HECM)	Seniors age 62 or older who own their home free and clear	Allows seniors to borrow against the equity in their home	No	Reverse Loan	None	Requirement for Counseling by a HUD approved housing counseling agency	
248 Mortgage Insurance Program on Indian Reservations & Other Restricted Lands	Eligible Tribal Members	Tribal members can purchase, refinance or build a home on tribal lands	No	Loan	N/A	Tribal governments to certify certain items, one being a prescribed lease agreement	Lyle Konkol HUD - Helena Local Office 7 W. 6 <sup>th</sup> Ave Helena, MT 59601 (406) 449-5050 E-mail: Lyle_J._Konkol@hud.gov

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
<b>OTHER PROGRAMS</b>							
Fannie Mae HomeChoice <sup>SM</sup> Mortgage  Montana Home Choice Coalition	Individuals with a disability; a family with a child with a disability living in the household; a co-borrower who will not be living in the home, as long as the co-borrower is a family member or a legal guardian; occupying co-borrowers	Purchase of owner-occupied single-family detached houses, townhouses, and condominiums		Loan	None	\$500 from borrower's own funds, budget based qualifying, acceptance of nontraditional credit history, flexible qualifying ratios, refinancing, home rehabilitation, and access modification financing. Prepurchase housing counseling and resource referral services provided.	Michael M. O'Neil State Director Montana Home Choice Coalition Lead agency: A.W.A.R.E., Inc. 616 Helena Avenue, Suite 305 Helena, MT 59601-3654 (406) 449-3120; Fax (406) 449-3125 A.W.A.R.E. Statewide: (800) 432-6145; TTY Relay Service: (800) 253-4091 E-mail: montanahomechoice@aware-inc.org  Website: www.aware-inc.org/montanahomechoice
Montana Homeownership Network	No eligibility requirements for Homebuyer Education. Montana's low- and moderate-income families are eligible for down payment and closing costs assistance.	First-time homebuyer education, down payment and closing costs assistance, foreclosure prevention counseling and loans.		Amortizing and due-on-sale loans		No fees or income limitations for Homebuyer Education; \$500 from borrower's funds for down payment and closing costs loans. Loan processing fee of \$350.	Montana HomeOwnership Network Great Falls: (800) 318-0268  Homebuyer Education Providers Joliet: Beartooth RC&D ..... (406) 962-3914 Billings: homeWORD ..... (406) 255-0298 Missoula: homeWORD ..... (406) 543-3550 Hamilton: Bitterroot RC&D ..... (406) 363-5450 Great Falls: Neighborhood Housing Services. (406) 761-5861 Roundup: Central Montana RC&D ..... (406) 323-2755 Shelby: North Central RC&D ..... (406) 434-9161 Sidney: Eastern Plains RC&D ..... (406) 433-5024 Bozeman: HRDC of District IX ..... (406) 584-4878 Butte: Headwaters RC&D ..... (406) 782-7333 Kalispell: Northwest MT Human Resources.... (406) 758-5432 Helena Area Housing Task Force ..... (406) 442-2265 Libby: Northwest Montana RC&D ..... (406) 293-8885  Many tribally-sponsored housing entities offer Homebuyer Education. Contact them for more information.

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
<b>LOCAL GOVERNMENT PROGRAMS</b>							
City of Billings HOME Program	Low-income residents in Billings; Community Housing Development Organizations (CHDOs); for-profit groups building affordable housing	Down payment, closing cost & minor rehab assistance to eligible applicants; grants to CHDOs & for-profit groups building affordable housing					John Walsh, Community Development Manager City of Billings P.O. Box 1178 Billings, MT 59103 (406) 657-3045; Fax (406) 657-8252 E-mail: WalshJ@ci.billings.mt.us
City of Great Falls HOME Program	Very low-income residents of Great Falls; Community Housing Developing Organizations (CHDOs); non-profit and for-profit affordable housing developers.	Housing assistance to very low- and low-income renters, to very low- and low-income existing and first time homebuyers, and to homeless persons and households					Katrina Stark Community Development Department City of Great Falls PO Box 5021 Great Falls, MT 59403-5021 (406) 455-8407 (406) 454-0495 for the hearing impaired E-mail: kstark@ci.great-falls.mt.us
City of Missoula HOME Program	Certified Community Housing Development Organizations (CHDOs) only	New construction, property acquisition, residential rehabilitation, homebuyer assistance, and rental subsidy			The City solicits requests for funds on an annual basis		Mike Barton, Grants Administrator (406) 258-3874 E-mail: mbarton@co.missoula.mt.us —or— Cindy Wulfekuhle, Principal Grants Administrator (406) 523-2795 E-mail: cwulfeku@co.missoula.mt.us  Missoula Office of Planning & Grants 435 Ryman Missoula, 59802-4292 (406) 258-4657

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
City of Billings CDBG Program		CDBG Program funds are used to assist Billings to promote fair housing and affordable housing city-wide; to preserve and revitalize the City's existing affordable housing stock; to improve and revitalize neighborhoods where existing affordable housing stock is located; to support new housing activities; for first time homebuyer activities; to help finance new affordable housing projects; for activities that update and improve the community's existing affordable housing stock.					John Walsh, Community Development Manager City of Billings P.O. Box 1178 Billings, MT 59103 (406) 657-8286; Fax (406) 657-8252 E-mail: WalshJ@ci.billings.mt.us
City of Great Falls CDBG Program	Low- income residents of Great Falls; nonprofit organizations; Neighborhood Housing Services, Inc., (local CHDO)	Deferred payment loan--no interest loans to low income homeowners for code-related repairs Rental improvement fund--no interest loans to landlords to rehabilitate sub-standard rental units made affordable to low-income tenants Operation Paintbrush--grant funds to low-income homeowners for exterior paint for neighborhood beautification Development of accessible, affordable rental housing Programs involving purchase, rehabilitation, and new construction of affordable housing			Ongoing basis	Only projects located within the city limits are eligible for funding	Katrina Stark (406) 455-8407 E-mail: kstark@ci.great-falls.mt.us —or— Bruce Haman (406) 455-8404 E-mail: bhaman@ci.great-falls.mt.us  Community Development Department City of Great Falls PO Box 5021 Great Falls, MT 59403-5021 (406) 454-0495 for the hearing impaired

PROGRAM NAME	ELIGIBLE APPLICANTS	ELIGIBLE ACTIVITIES	LOCAL MATCH REQUIRED YES or NO	LOAN OR GRANT	FUNDING CYCLE / DEADLINE	SPECIAL REQUIREMENTS	PROGRAM CONTACT
City of Missoula CDBG Program		Activities that benefit low- and moderate-income households in the areas of housing, public facilities, economic development and public services. Technical assistance is available to agencies and individuals interested in participating in the program			The City conducts a competitive funding process for projects each year between September and November		Mike Barton, Grants Administrator (406) 258-3874 E-mail: mbarton@co.missoula.mt.us —or— Cindy Wulfekuhle, Principal Grants Administrator (406) 523-2795 E-mail: cwulfeku@co.missoula.mt.us Missoula Office of Planning & Grants 435 Ryman Missoula, 59802-4292 (406) 258-4657

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This is a snapshot of existing housing programs. Please see the **MONTANA HOUSING RESOURCE DIRECTORY** for more specific program information or reference the contact person listed. The MONTANA HOUSING RESOURCE DIRECTORY may be obtained from:

The Department of Commerce  
Housing Division  
PO Box 200545  
Helena, MT 59620  
(406) 841-2820

or on the website at:

<http://housing.mt.gov/>

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Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format such as large print, Braille, audio tape, or computer diskette, or you need any other disability-related accommodation, please contact the Montana Department of Commerce at (406) 841-2820 or TDD (406) 841-2702 or Montana Relay Services number, 711.